



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
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SECRETARY

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**DATE:** April 19, 2011  
**TO:** Wisconsin Deferred Compensation Board  
**FROM:** Shelly Schueller, Director  
Wisconsin Deferred Compensation Program  
**SUBJECT:** 2010 Annual Investment Performance Review

**This memo is for informational purposes only. No Board action is required.**

The **2010 Annual Investment Performance Review**, prepared by Advised Assets Group (AAG), is presented for your review and comment. This memo summarizes the findings.

The weighted average return for all Wisconsin Deferred Compensation (WDC) participants at the end of 2010 was 13.86%. This can be attributed to the following factors:

- A 9.8% weighting to the T. Rowe Price MidCap Growth fund, which returned 28.06%
- Fidelity Contrafund, which held 14.9% of WDC assets and returned 16.93%
- Vanguard Institutional Index fund, which held 8.2% of WDC assets and returned 15.07%
- Vanguard Wellington fund, which held 10.7% of WDC assets and returned 11.04%

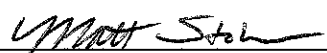
The report results illustrate that the funds selected by Board continue to be sound investment options. For most of 2010, six of the WDC's nine actively-managed investment options were in the top quartile of Morningstar rankings.

In the report, AAG notes that the DFA U.S. Microcap Fund rebounded to the second quartile during the last quarter of 2010, after struggling during the past several years. AAG also commented that the immense size of the Vanguard Wellington Fund perhaps indicates the fund's performance should be watched carefully.

Staff from the Department and AAG will be available at the Board meeting to discuss the report.

Attachment: WDC Fund Performance Review as of 12/31/10

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services

  
Signature

4/20/11  
Date

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DC	05.17.11	3